

Message Text

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ACTION AID-05

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SWF-01 CIEP-01 FRB-01 OMB-01 XMB-02 IGA-01 L-02 /044 W

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R 121430Z DEC 74

FM AMEMBASSY OUAGADOUGOU

TO SECSTATE WASHDC 8859

INFO AMEMBASSY ABIDJAN

AMEMBASSY NIAMEY

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DEPT PPASS AFR/CWR

ABIDJAN FOR REDSO

NIAMEY FOR RDO

E.O. 11652: N/A

TAGS: EAGR, EAID, UV

SUBJECT: MINISTER OF COMMERCE DISCUSSES CEREALS
PROGRAM

REF: OUAGA 2261, STATE 254713

1. AMBASSADOR, CDO, AND ECON OFFICER CALLED ON
MINISTER OF COMMERCE ZOMA DECEMBER 6 TO DISCUSS GOUV'S
REQUEST FOR \$1.7 MILLION USG ASSISTANCE DURING SECOND
TRANCHE ENTENTE CEREALS PROGRAM.

2. ZOMA BEGAN BY DESCRIBING PLANS FOR 1974/75 SEASON
WHEREBY ORDS WILL BUY FROM PRODUCERS AND SELL TO
OFNACER WHO, IN TURN, WILL MARKET GRAIN FOR CONSUMER
PURCHASE. MINISTER CONFIRMED THAT ORDS (AS PART OF
MINISTRY OF RURAL DEVELOPMENT) HAVE OBTAINED LOAN FROM
NATIONAL DEVELOPMENT BANK TO FINANCE BUYING OPERATION.
GOUV, HE SAID, HAD SET GOAL OF 30,000-40,000 MT

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CEREALS TO BE BOUGHT UP FROM FARMERS.ZOMA WAS VAGUE

ABOUT WHERE OFNACER WOULD GET ITS FINANCING TO PURCHASE STOCKS FROM ORDS FOR RESALE TO CONSUMERS. HE SAID BND COULD NOT ADVANCE THEM LOAN SINCE ALL LOAN MONEY WAS COMMITTED TO ORDS. ANOTHER PROBLEM MINISTER MENTIONED WAS STORAGE SPACE. OFNACER'S WAREHOUSES ARE PRESENTLY FILLED WITH CARRYOVER STOCKS FROM LAST YEAR'S PROGRAM (MOSTLY GHANAIAI CORN). HIS OPINION WAS THAT OFNACER WOULD HAVE DIFFICULTY STORYING ANY CEREALS PRUCHASED FROM ORDS.

3. AMBASSADOR THEN WENT OVER OFNACER'S SECOND TRANCHE REQUEST FOR TECHNICAL AND MATERIAL ASSISTANCE:

A) TECHNICAL: OFNACER HAS ASKED FOR ONE MARKETING EXPERT AND ONE STATISTICAL/FORECASTING EXPERT. AMBASSADOR NOTED THAT LATTER POSITION OVERLAPPED WITH OUR \$300,000 AG STATISTICS PROGRAM IN MINISTRY OF RURAL DEVELOPMENT. WE STRESSED NECESSITY DEVELOPING OVERALL STATISTICAL PROGRAM WHICH COULD BENEFIC OFNACER RATHER THAN LIMITING ASSISTANCE TO OFNACER'S SPECIALIZED NEEDS. MINISTER CONCURRED WITH THIS VIEW. RE MARKETING EXPERT, ALL WERE AGREED THAT THIS WAS KEY POSITION ESPECIALLY DURING THIS TRANSITIONAL PERIOD AS GOUV MOVES FROM DOUGHT RELIEF TO REGULAR CEREALS PROGRAM. ZOMA SAID THAT OFNACER DIRECTOR SOME WILL BE PREPARED DISCUSS THIS REQUIREMENT IN DETAIL AT ABIDJAN ENTENTE CEREALS MEETING.

B) WAREHOUSING: ALTHOUGH THE NEED FOR ADDITIONAL STORAGE CAPACITY WAS RECOGNIZED, WE NOTED THAT, RATHER THAN DOUBLE CAPACITY IN SELLING AREAS SUCH AS KAYA AND OUAHIGOUYA, OFNACER SHOULD CONSIDER PLACING WAREHOUSES IN PRODUCING AREAS TO THE SOUTH AND SOUTHWEST SUCH AS BANFORA AND LEO. WE ALSO QUESTIONED WISDOM OF CONSTRUCTING LARGER WAREHOUSES OF 3000 TON CAPACITY IN LIGHT OF DIFFICULTIES PUTTING UP 1500 TON UNITS. MINISTER AGREED THAT SPECIFICATIONS WOULD HAVE TO BE REVISED AND MOE CAREFULLY FOLLOWED.

C) TRAINING AND EQUIPMENT REQUESTS: WE WERE ESSENTIALLY IN ACCORD WITH ITEMS REQUESTED. LIMITED OFFICIAL USE

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4. COMMENT: IT WAS OBVIOUS MINISTER WAS NOT VERY ENTHUSIASTIC ABOUT CHANCES OF SUCCESS FOR THE 74/75 CEREALS MARKETING CAMPAIGN. IN SEPARATE CONVERSATION WITH EMBOFF, HE SAID HE HOPED PRESENT ARRANGEMENT WOULD BE TEMPORARY. PRESENCE OF TWO MIDDLEMEN BETWEEN PRODUCER-CONSUMER COMPLICATES LOGISTICS OF GRAIN TRNASFER AND PUTS STRAIN ON BUDGET. MINISTER CLEARLY WOULD

LIKE TO SEE OFNACER PLAY LARGER ROLE IN BUYING AND
SELLING OF LOCAL CEREALS.
GRAHAM

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